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NATIONAL TREASURY

NO. 1236

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**LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003:
EXEMPTION FROM SECTION 28(6) OF ACT AND REGULATION 72(c) OF
MUNICIPAL BUDGET AND REPORTING REGULATIONS FOR CERTAIN
MUNICIPALITIES IN WESTERN CAPE**

I, Malusi KN Gigaba, Minister of Finance, acting in terms of section 177(1)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003 herein called "the Act"), hereby exempt-

- (a) City of Cape Town Metropolitan Municipality;
- (b) Knysna Municipality;
- (c) Drakenstein Municipality;
- (d) Bitou Municipality; and
- (e) Saldanha Bay Municipality;

from compliance with section 28(6) of the Act and regulation 72(c) of the Municipal Budget and Reporting Regulations, 2008 (herein called "the Regulations"), as set out in the Schedule.



MALUSI KN GIGABA
MINISTER OF FINANCE

SCHEDULE**Exemption**

1. The municipalities specified in this Notice are hereby exempted from-
 - (a) section 28(6) of the Act to the extent that it prevents a municipality from increasing water tariffs during a financial year; and
 - (b) regulation 72(c) of the Regulations to the extent that it prevents a municipality from incurring unforeseen and unavoidable expenditure exceeding R15 million.

Period of exemptions

2. The exemptions referred to in paragraph 1 are for the 2017/18 financial year.

Conditions of exemptions

3. The condition for the exemption referred to in-
 - (a) paragraph 1(a) is that a water tariff increase may only be-
 - (i) to provide for shortfalls in the approved budget, as envisaged in section 29 of the Act, to address the water crisis; and
 - (ii) approved after due consideration of the impact of the increase on poor households;
 - (b) paragraph 1(b) is that it only applies to the implementation of short-term projects to address the water crisis.